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IN THE

Supreme Court of the United States

OCTOBER TERM, 1950

No. 337

PUETT ELECTRICAL STARTING GATE CORPORATION,

Petitioner,

vs.

HARFORD AGRICULTURAL & BREEDERS' ASSOCIATION and UNITED STARTING GATE CORPORATION,

Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

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Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

The Honorable The Chief Justice and the Associate Justices of the Supreme Court of the United States:

Your Petitioner, Puett Electrical Starting Gate Corporation, respectfully prays for a Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit to review a decree of that court in the above-entitled case which was entered May 25, 1950 and in which case a petition for rehearing was denied without opinion on June 30, 1950.

Opinions Below

The opinion of the District Court (R. 4) is reported in 88 F. Supp. 360. The opinion of the Circuit Court of Appeals (R. 286) is reported in 182 F. 2d 608.

Jurisdiction

The judgment of the Court of Appeals for the Fourth Circuit was entered on May 25, 1950 (R. 295) and a duly filed petition for rehearing was denied on June 30, 1950 (R. 315). The jurisdiction of this Court is invoked under 28 U. S. C. Section 1254 (1) and Rule 38 (5)(b) of the rules of this Court.

Questions Presented

1. Whether the Court of Appeals for the Fourth Circuit has (a) exceeded its powers of appellate review as defined by this Court in non-jury patent infringement actions in substituting its view of the facts in the present case for the findings of fact of the trial court which were supported by substantial evidence without holding that the latter are clearly erroneous; and (b) whether, in so doing, it has evinced a renewed and persistent disregard of the limits of its appellate powers as defined by this Court.

2. Whether Amendment VII of the United States Constitution requires, in the light of modern equity practice as defined by this Court and in view of the present merger of law and equity, that findings of fact by the court of first instance shall not be re-examined on appeal by a Court of Appeals otherwise than according to standards applied to jury verdicts; and whether the Court of Appeals for the Fourth Circuit has violated Amendment VII in this case.

3. Whether Article III, § 1 of the United States Constitution, as well as legislation declaratory of the jurisdiction of the United States courts, limits the jurisdiction on appeal of a court of appeals to the re-examination of questions of fact only to the extent of determining whether there was substantial evidence to support the finding made by the trial court; and whether the Court of Appeals for the Fourth Circuit has violated said Article and legislation in this case.

Statement

Petitioner, Puett Electrical Starting Gate Corporation, plaintiff below, filed suit against respondent, Harford Agricultural & Breeders' Association for patent infringement in the District Court for the District of Maryland; respondent, United Starting Gate Corporation, intervened as a party defendant on behalf of its lessee Harford Agricultural & Breeders' Association. For convenience the petitioner is hereinafter referred to as Puett, and respondents as Harford or United. Puett is a California corporation engaged in manufacturing and leasing electrically-operated stall type gates such as are now used at all major race tracks for starting horse races. United is a recent competitor of Puett in the same field, having been formed and dominated by persons who had prior close and confidential relationships with Puett (R. 15-17, 32, 71-78).

The introduction of the Puett starting gate was one of three factors which revolutionized racing, the other two being the totalizator and the photo-finish camera (R. 55-58). This starting gate is the subject of an earlier (1943) Puett patent, the later Puett improvement patent to Whann now at bar having issued in 1948. For obvious economic reasons, the Puett gate used by the race tracks has not been replaced by this later patented gate, but defendant United having no such economic barrier has used Puett's 1948 patent before Puett has had a chance to use it.

In horse racing, uniformity and reliability of operation of the starting gate are of the essence. The contribution Puett made to the revolutionizing of horse racing was that its gate was uniformly reliable in operation. A gate which follows the teachings of the Whann patent has a series of adjacent stalls within a superstructure, each having a pair of front doors and a pair of back doors for confining each horse in its respective stall. Strong springs tend to pull each of the front doors open but, before starting the race, the left front door of each stall is held closed by an energized electromagnet acting on a pivoted armature or keeper which, in turn, is linked to a metal bar extending at

an angle from the door, functioning essentially as a lever. The right front door is held closed by a simple latch such as an overlapping plate on an edge of the left door. Importantly as an improvement, the electromagnet is mounted on the superstructure rather than on the doors; similarly, the linkage between the pivoted armature of the electromagnet and the left front door metal bar or lever is of very simple construction to avoid the possibility of sticking or jamming. Should one horse bolt he will open his own door without releasing the remainder of the doors and horses.

In starting a race, the operator simply presses a button to cut off the electrical current thus de-energizing the magnets; the front doors of all stalls instantly fly open under the action of their respective springs and the race is started.

The district judge held the patent at bar valid and infringed, having been aided by testimonial evidence of defendants' officers and expert witness and models of the patented gate, the infringing gate, and a prior art gate offered in evidence by the defendants. These models were testified to and explained by defendants' expert witness who compared them with the patent in suit. In the light of this evidence and the observation of the witnesses, the court found as a fact that the combination of elements recited in the claims of the Whann patent was incorporated in defendants' starting gate; it also found as a fact that the claims describe defendants' gate and that the structural elements thereof are the full equivalents of plaintiff's patented structure.

The Circuit Court of Appeals summarily reversed these factual findings (although affirming the District Court in several other respects, such as the validity of the patent at bar and the non-infringement of another patent not now in issue). The stated ground of reversal was ". . . we are unable to agree." without pointing out any place wherein these findings of fact by the District Court were not supported by the evidence (R. 293).

Since United intervened as a party defendant, and since Puett and United are for all practical purposes the only

significant manufacturers of stall type gates, there is practically no opportunity for a conflict in decision between circuits.

Specification of Errors to Be Urged

The Court of Appeals erred:

1. In reversing factual findings of equivalence and infringement by the District Court.

2. In substituting its own contrary findings of fact for the District Court's findings which were supported by substantial evidence.

3. In substituting findings of fact contrary to the trial court's findings merely because of 'inability to agree' with the latter and without demonstrating that the trial court's findings were clearly erroneous.

4. In exercising a power of appellate review in a non-jury case unwarranted by the rules laid down by this Court and specifically prohibited by F. R. C. P. Rule 52(a), and the United States Constitution.

Reasons for Granting the Writ

SUMMARY:

1. The Court of Appeals has persistently departed so far from the accepted and usual course of judicial proceedings by exceeding its powers of appellate review as to call for an exercise of this Court's power of supervision.

2. The Court of Appeals has decided a federal question in a way in conflict with applicable decisions of this Court in overturning findings of fact supported by evidence and by assuming that it has jurisdiction so to do.

3. The Court of Appeals has implicitly decided unsettled important questions of federal and Constitutional law which should be clearly settled by this Court.

I

It is submitted that the Court of Appeals for the Fourth Circuit has fallen into a pattern of error in exercising an unwarranted power of review of findings of fact in non-jury patent infringement actions. A review of its decisions discloses that the Fourth Circuit Court of Appeals professes to recognize the limitations on its power of review of findings of fact, as defined by this Court and as stated in Rule 52(a)[1] of the Rules of Civil Procedure. However, the Rule is actually observed only when the Court's view of the facts coincides with that of the trial court. When that Court reaches a different conclusion as to the facts, it simply substitutes its view for the findings of the trial court, irrespective of any appellate restraint imposed upon it and, in so doing, assumes that it possesses power to re-determine issues of fact—power once exercised by the traditional, but now obsolete, court of equity.

In the exercise of its power of supervision over the administration of justice in the federal courts, it is believed that this Court should review the judgment of the Court of Appeals and reinstate the judgment of the District Court. This Court has ruled that its supervisory authority should be employed to guard against a "subtle undermining" of a fundamental judicial principle in the lower courts. *Thiel* v. *Southern Pac. Co.*, 328 U. S. 217, 225, 66 S. Ct. 984, 988 (1946).[2]

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[1] "Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses." Where the trial judge weighs the evidence more heavily in favor of oral testimony than in favor of inferences from documentary evidence, and his conclusion is a choice between two permissible views, such a finding is not 'clearly erroneous'. United States v. Yellow Cab Co., 338 U. S. 177, 70 S. Ct. 177 (1949).

[2] See also Ballard v. United States, 329 U. S. 187, 67 S. Ct. 261 (1946). Mr. Justice Frankfurter (dissenting) noted, at 329 U. S. 197, that the supervisory power should be exercised to vindicate 'appropriate standards of judicial administration'. Mr. Justice Burton (dissenting) noted, at 329 U. S. 206, that the objectionable practice condemned in the Thiel case was assumed by this Court to still continue. The continuance of a similarly objectionable practice is set forth *infra*.

Consideration of the decisions of the Fourth Circuit Court of Appeals for at least the last fifteen years bears out the conclusion stated above. For example, in *Hoeltke* v. *C. M. Kemp Mfg. Co.*, 80 F. 2d 912 (4th Cir. 1935) a finding of fact by the trial court that defendant's devices were not the equivalents[3] of those covered by plaintiff's patent as well as a finding that defendant's employees independently invented[4] the device, were set aside. In so doing the extent of the court's assumed power of factual review is indicated by its fiat[5] that "in an appeal in equity we review the facts as well as the law, . . ."[5a] as well as by its expressions[6] "We must weigh the testimony of the witnesses . . ." and "we cannot credit the testimony".[7] *Judge Soper in his dissenting opinion*[8] *observed that the court was passing on the credibility of witnesses who had already been judged by the trier of the facts.*

In both *Connecticut Paper Products, Inc.* v. *New York Paper Co.*, 127 F. 2d 423 (1942) and *Triumph Explosives, Inc.* v. *Kilgore Mfg. Co.*, 128 F. 2d 444 (1942) this Court of Appeals reversed findings of fact without any announced

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[3] *Id.* p. 920.

[4] *Id.* p. 923.

[5] *Id.* p. 926.

[5a] A 'review' in the sense of re-balancing the weight of the evidence and reversing if its conclusion is *contra* to that of the trial court. Ct. Standard Acc. Ins. Co. v. Simpson, 64 F. 2d 583, 587-588 (4th Cir. 1933) (surety case); also National Manufacture & Stores Corp. v. Whitman, 93 F. 2d 829, at 832, (4th Cir. 1938) (court findings in equitable contract case *reversed* on ground plaintiff's testimony "unworthy of belief").

[6] *Id.* p. 423.

[7] But cf. Occidental Life Ins. Co. v. Thomas, 101 F. 2d 876 (9th Cir. 1939) (concurring opinion insists that a Court of Appeals has no power to weigh the evidence); Hazeltine Research, Inc. v. Admiral Corp., ... F. 2d ...., 86 U. S. P. Q. 289, 290 (7th Cir. July 21, 1950), "At the inception, we are met with the charge frequently made, particularly in patent cases but seldom demonstrated, that the findings of the trial court are entitled to little if any weight. . . . This case is briefed and argued here as though it were a nisi prius proceeding. While this practice is not limited to patent cases, it appears most prevalent in this field of litigation . . . we think it apparent that there has been a tendency to place the review of patent cases in a category different from other cases."

[8] 80 F. 2d 912, at 924, 926.

basis other than a difference of opinion. In the Connecticut Paper case the appellate court concluded that one patent in suit was invalid as an aggregation rather than a combination.[9] The court's approach to the question of review is disclosed in the opinion, e. g., "A very strong bit of evidence against the plaintiff's claim of patentability", "In our opinion, the variations between the two dispensers are of little importance", and, in referring to an element stressed as important in the patent, "We are not so impressed."[10] When considering the Triumph Explosives appeal, the court held two patents invalid as not amounting to inventive[11] improvements. This conclusion was reached by a process of re-evaluating the evidence before the trial court, but *sans* the trial atmosphere. Apparently in this instance, the court vacillated after its first decision, for it is noted in its *published* opinion that it had first announced (in an unpublished opinion) that one patent in suit disclosed an improvement of inventive calibre; however, it then proceeded to reverse itself on the ground that "it failed to give sufficient weight" to a piece of evidence.[12]

Next, in *Lever Bros. Co.* v. *The Proctor & Gamble Mfg. Co.*, 139 F. 2d 633 (4th Cir. 1943), the trial court's findings of fact that defendant's soap making process was not the same nor the equivalent of that claimed in plaintiff's patent were reversed. The trial court's findings had been based on oral and visual evidence.[13] Reviewing and re-weighing the evidence on this issue of fact, the Court of Appeals determined that it could not "agree"[14] with an important scientific witness, whose statements of fact the trial court had adopted; instead it found the accused process "essen-

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[9] Aggregation versus combination is a question of *fact*. Faulkner v. Gibbs, 170 F. 2d 34 (9th Cir. 1948); aff'd. 338 U. S. 267, 70 S. Ct. 25 (1949).

[10] 127 F. 2d 423, at 429.

[11] The issue of invention is also one of fact, *supra* note 9.

[12] 128 F. 2d 444, at 448, 449.

[13] 49 F. Supp. 443, at 460-462.

[14] 139 F. 2d 633, at 642.

tially similar''[15] to the plaintiff's process. Further, it failed to consider limitations in the process claims in the nature of the product produced thereby—limitations and characteristics which the trial judge, *on personal and tangible comparison*[16] *of the accused soap and the patented product,* found as a fact were not present in the allegedly infringing soap.

The Fourth Circuit once again took occasion to ignore the scope of review defined in Rule 52(a) in the case of *Binney & Smith Co.* v. *United Carbon Co.,* 125 F. 2d 255 (1942).[17] The District Court [18] had formally found as a fact, *inter alia,*[19] that a product as described in plaintiff's patent claims and defendant's product (pelletized carbon black), though generally similar, had ''recognizable differences . . . such as degree of porosity, degree of purity, and degree of uniformity in size'' and that on this comparison, defendant's product did not infringe. On appeal, this was reversed, the court stating[20] that on the factual question of infringement ''there can be no reasonable doubt'', noting that the accused product was made in small pellets which were smooth, round and flowable, which were porous and friable and of substantially the same size as that of the product claimed. One looks in vain for a basis for

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[15] *Id.* at 643.

[16] 49 F. Supp. 443, at 459. "Samples of both [soaps] were exhibited to the court on the first day of the trial and my personal observation at the time was in entire accord with Dr. Andrews' later expressed opinion."

". . . the production of the thing itself would seem to be the most natural and efficient process of proof". IV Wigmore on Evidence 240 (3rd ed.)

[17] *Reversed,* 317 U. S. 228, 63 S. Ct. 165, on the ground that the claims were invalid because indefinite, without passing on the factual issue of infringement.

[18] 37 F. Supp. 779.

[19] The District Court also concluded that the patent was invalid on the grounds a) it lacked novelty, b) it did not rise to the dignity of invention and c) the claims were too indefinite.

[20] 125 F. 2d 225, at 260.

this reversal, or for any indication that the trier of the facts arrived at his conclusion without some or substantial evidence justifying the finding.

More recently, in *Jordon* v. *Hemphill Co.,* 180 F. 2d 457 (4th Cir. Feb. 1950) this circuit reversed a finding of fact that the plaintiff, in a patent infringement suit, had not publicly used the invention over two years before applying for a patent thereon. The finding had been based on the testimony of two witnesses. The Court of Appeals, without mentioning that its reviewing powers are not plenary, proceeded to re-weigh the testimony of these witnesses and evaluated their credibility, never having seen or heard them. The extent of the powers of factual review it assumes are summed up in such expressions in the opinion as ". . . it would seem fair for us to deduce that the drawing of 1931 was of the machine shipped to Holeproof.[21] . . . Further, it seems probable[22] . . . there is a fairly justifiable inference.[23] . . . It would appear that Hutton had become purposely evasive and was seeking to limit his answers as much as possible."[24]

The case of *Florence-Mayo Nuway Co.* v. *Hardy,* 168 F. 2d 778 (4th Cir. 1948) is significant. Herein, the District Court had dismissed a suit for infringement of the Mayo combination patent on a tobacco-curing barn, holding, *inter alia,* that the improvement did not amount to invention and that the defendants did not infringe. The Court of Appeals (SOPER, *C. J.,* dissenting) *reversed,* finding that the patent disclosed a novel combination which had enjoyed great commercial success, which yielded a heavier, more valuable tobacco, and which had first solved a pressing agricultural problem. The trial court had found as a fact, on conflicting testimonial evidence, that the weight of the evidence led to the conclusion that a superior tobacco was

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[21] *Id.* at p. 463.

[22] *Id.* at p. 463.

[23] *Id.* at p. 464.

[24] *Id.* at p. 464.

not produced thereby. Over the vigorous objection[25] of Judge SOPER, who reminded the majority of their appellate limitations under Rule 52(a), the court in effect made a contrary finding, being much impressed also by evidence of commercial success. But the appellate enthusiasm for the Mayo patent had diminished greatly by June 1950, when the same court had the erstwhile plaintiff, Florence-Mayo Nuway Co., before it as a defendant charged with infringement of a Smith patent on a similar tobacco curing barn.[26] While adhering to its former decision that the Mayo patent was valid, it took this opportunity to warn the defendant not to take "advantage" of the former decision that defendant's patent was a pioneer patent; in fact ". . . the Mayo patent is not entitled to the liberal treatment of a pioneer patent . . . [since] the court was misled . . . into believing that Mayo was the first to solve the problem presented and the first to achieve commercial success".[27] It may be remarked that the Smith patent in suit had been considered by the court in its former decision[28] and had been cursorily discarded, though now the court declared it to be similar[29] to the Mayo patent.

In the case at bar, the Court of Appeals has once again (and for the second time in the space of six months) summarily overturned a trial court's finding of fact—here a finding that the accused starting gate was the equivalent[30] of that covered by the claims of plaintiff's patent 2,435,729 to Whann. This finding had been based not only on the

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[25] *Id.* at pp. 785 and 786.

[26] Smith v. Florence-Mayo Nuway Co., 182 F. 2d 507 (4th Cir. June 2, 1950).

[27] *Id.* at p. 510.

[28] At p. 781.

[29] Note 26, at p. 510.

[30] "A finding of equivalence is a determination of fact. . . . Like any other issue of fact, final determination requires a balancing of credibility, persuasiveness and weight of evidence. . . . It is not for this Court to even essay an independent evaluation of this evidence." Graver Tank & Mfg. Co. v. Linde Air Products Co., ... U. S. ...., 70 S. Ct. 854, at 857 (May 29, 1950).

trial court's visual observation (R. 8) of defendants' models of the accused starting gate and of a gate representing plaintiff's patent, but the trial court saw defendants' witnesses demonstrate the operation of these models in court (R. 108-123, 152). Also, both defendant United's president (who was thoroughly familiar with the operation and construction of starting gates by virtue of his long occupation as a race track starter) (R. 59-62) and defendants' expert witness (R. 78) reluctantly[31] admitted (R. 33-41, 44-45, 65-71) on direct and cross-examination that *every element* of the claims of plaintiff's patent was found in the accused starting gate.[31a] What is more, defendants had asserted vigorously, in support of one of their numerous alleged defenses, that plaintiff had reframed (R. 29) the claims in its pending patent application after observing defendants' accused gate. In other words, defendants did not seriously contend that the United gate was not covered by the patent in suit but relied on technicalities, which were not sustained by the evidence, to escape liability.

It cannot be doubted that the District Court's findings were based on "substantial evidence" and were not "clearly erroneous".

Yet the Court of Appeals, without even hinting that its power of reviewing findings of fact could be anything but plenary, set aside the finding of infringement merely on the ground that "With this conclusion of the District Court *we are unable to agree*" (R. 293) (Italics supplied). Thus the deliberate conclusions of the trier of the facts—conclusions arrived at after a trial nearly two weeks long—were brushed aside on the basis of but a few hours consideration. The sound reason underlying the legal requirement that an appellate court must not, except for

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[31] The trial court had to warn an officer of defendant United to be "less evasive" in his testimony (R. 76) and to stop "whispering or half-answering" (R. 77); the court also noted that defendants' expert was spending an "inordinate amount of time" in attempting to magnify minor differences between defendants' gate and plaintiff's patent (R. 118-119).

[31a] "In determining whether an accused device or composition infringes a valid patent, resort must be had in the first instance to the words of the claim. If accused matter falls clearly within the claim, infringement is made out and that is the end of it." *Id.* at p. 855.

very clear reasons, overturn findings of fact of this class was summed up by Judge LEARNED HAND as ". . . . in such cases the appeal must be decided upon an incomplete record, for the printed word is only a part, and often by no means the most important part, of the sense impressions which we use to make up our minds".[32]

Consequently, it is submitted that not only was the Court of Appeals incorrect in reversing the trial court in the instant case, but its decision was but another extension of its continuing line of erroneous procedure concerning its appellate power—a situation calling for correction by this Court.

II

Petitioner submits that the Court of Appeals exceeded its jurisdiction and violated a right secured to petitioner by Amendment VII[33] of the United States Constitution in that it overturned findings of fact by the trial court—findings supported by substantial evidence and which would have been accepted without question as unassailable if rendered by a jury.[34] It is recognized that a sufficiently narrow meaning can be read into the words of Amendment VII to warrant the conclusion that a *literal*[35] violation has

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[32] United States v. Aluminum Co. of America, 148 F. 2d 416, 433 (2nd Cir. 1945). See also, Justice Jackson's dissenting opinion in Jungersen v. Ostby and Barton Co., 335 U. S. 560, 69 S. Ct. 269 (1949) wherein he comments on the difficulty inherent in evaluating the factual issue of the status of an industrial art in the few hours available to the appellate bench for consideration. Rule 52(a) is particularly applicable in a case where the trial court has had the benefit of the opinion of experts and has witnessed physical demonstrations of a technical nature. Graver Tank & Mfg. Co. v. Linde Air Products Co., 336 U. S. 271, 69 S. Ct. 535 (1949).

[33] ". . . and no fact tried by a jury, shall be otherwise reexamined in any Court of the United States, other than according to the rules of the common law."

[34] Petitioner had demanded a jury trial of the issues of fact herein; this demand was withdrawn, both parties agreeing that the judge would be the trier of the facts. See transcript of motion proceedings before Hon. William C. Coleman, D. J. dated June 10, 1949.

[35] It has been recognized that the Constitution is a flexible, living document and is not to be treated as a historical strait jacket. For example, the Commerce clause has been construed to include, in con-

not occurred, but it is urged that the properly broad scope and sense of this protective prohibition of the Constitution demands a re-instatement of the findings of the trial court.

At the present time, law and equity procedure[36] have been merged[37] in the United States courts as the result of a renascent development which reaches back to the founding of the nation. It is contended that the 'rules of the common law' in the appellate review limitation of Amendment VII are now[38] equally applicable to a so-called "equity

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sorance with the necessities of a particular age, forms of commerce not literally understood as such at the time of its adoption. Thus, it includes telegraphic communications (Leloup v. Port of Mobile, 127 U. S. 640); radio broadcasting (Fisher's Blend Station, Inc. v. State Tax Commission, 297 U. S. 650); activities of elevator operators, watchmen and janitors in an office-warehouse building (Butler Bros. v. N. L. R. B., 134 F. 2d 981); and the transportation of women for immoral purposes (Hoke v. United States, 227 U. S. 308).

[36] The typical equity trial is the same as a so-called law trial, although without a jury.

[37] See F. R. C. P. Rules 1, 2 (one form of action); 38(b), (d) (jury trial had only by demand and is waived by failure to make demand); 52(a) (court in all non-jury actions to make special findings of fact similar to a verdict). CLARK, "Experience Under the Amendments to the Federal Rules of Civil Procedure"—Rules of Civil Procedure and Judicial Code (1950 rev. ed., West Publ. Co.) at p. 19 ". . . meanwhile law and equity had been united in the federal courts under the new rules of civil procedure".

[38] Galloway v. U. S., 319 U. S. 372, at 390, 63 S. Ct. 1077, at 1087 (1943).

"The [VII] Amendment did not bind the federal courts to the exact procedural incidents or details of jury trial according to the common law of 1791, any more than it tied them to the common-law system of pleading or the specific rules of evidence then prevailing. Nor were the 'rules of the common law' then prevalent . . . crystallized in a fixed and immutable system. On the contrary, they were constantly changing and developing during the late eighteenth and early nineteenth centuries".

Holmes, THE COMMON LAW, "It [the law] is forever adopting new principles from life at one end, and it always retains old ones from history at the other which have not yet been absorbed or sloughed off."

Query: whether "equity" did not similarly develop and change.

Judge Learned Hand in Petterson Lighterage & T. Corp. v. New York Central R. Co., 126 F. 2d 992, 996 (2nd Cir. 1942) rejected

action" and that a court's findings can be re-examined only according to standards applied to jury verdicts. For this Court early recognized that the Constitutional grants and limitations of judicial power forbade appellate overturning of fact findings, whether found by court or jury. In one of its earliest decisions this Court ruled unequivocally that a finding of fact by the court of first instance in an equity action was conclusive upon it, the appellate court. *Wiscart* v. *D'Auchy*[39], 3 Dallas 321 (1796). Therein it was reasoned that the purpose of appellate review is simply to preserve unity of legal principle and that it is not a denial of justice to refuse the opportunity to a litigant to try his case over several times. Importantly, it was noted that the Judiciary Act of 1789 provided that the mode of proof in equity causes as well as in common law actions should be by oral testimony in open court[40]. Consequently, a merger of law and equity procedure, insofar as it affected appellate

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the contention that an appeal in admiralty is a trial de novo, stating " . . . but certainly as to the question before us here, it is not only obsolete, but at war with all modern procedural tendencies which seek to center responsibility for the decision of the facts upon the trial judge. There cannot be the slightest question of the desirability of so doing; that complex of sight and sound, from which we make our conclusions in a courtroom, is in large part eviscerated when reduced to the printed word; and it is significant that the doctrine that an appellate court should review the facts was borrowed from the Civil Law where the testimony was all by deposition. It is a little curious that, although testimony in admiralty has been for so long taken orally in the district courts, recognition of the implication of the change was so long in coming, but procedure is often laggard, and after all, the change began nearly a century ago."

[39] This decision is significant not only because of the nature of the decision but also because of its setting in our legal history and the eminence of Chief Justice Oliver Ellsworth, who delivered the opinion of the court. It is one of the earliest pronouncements on the scope of judicial review as defined by the Constitution and by Congress, given at a time when the memory of the hostility of the people to unlimited review was vivid.

Chief Justice Ellsworth had been a very active participant in the Constitutional Convention, had been the spokesman in the Senate for the Federalists and had presided over the committee which drafted the cornerstone legislation of our judicial system, the Judiciary Act of 1789—8 Encyclopedia Britannica 375 (14th ed.)

[40] *Id*, at 329.

review, was envisaged by Congress and by this Court from the beginning of our judicial system[41].

While subsequent legislation and court rules laid the basis for a gradual divergence[42] of law and equity procedure with the result that some courts felt free to review and re-weigh evidence on appeal in equity actions, this Court refused to agree that appellate limitations existed only if the action before it could be classified as traditional common law[43], or only if the findings of fact emanated from a jury[44]. For example, see *State Farm Mut. Automobile Ins. Co.* v. *Coughran,* 303 U. S. 485, 58 S. Ct. 670 (1938). Therein the Court of Appeals for the Ninth Circuit had undertaken to review the testimony in a jury-waived action in order to 'elucidate the truth.' This procedure was condemned, it being stated: "To review the evidence was beyond the *competency* of the court" (emphasis supplied).

It is axiomatic that a federal court has no jurisdictional power of review unless granted to it by Congress under the

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[41] Apparently this early merger was short-lived. In 1802, testimony in equity causes was permitted to be taken by deposition, in the court's discretion; by 1842 deposition testimony was the rule rather than the exception and continued so until the Equity Rules of 1912. See Blease v. Garlington, 92 U. S. 1 (1875). Thereafter, a process of re-merging law and 'equity' was generally prevalent, though the old practice shadowed and often obscured the change.

[42] *Supra,* note 41. Compare cases cited previously under Argument I herein.

[43] Parsons v. Bedford, 3 Pet. 433 (1830) held that the verdict of a special jury in an action conducted according to the local practice in Louisiana, which was not common law, was conclusive as to the facts (STORY J.).

[44] Saulet v. Shepard, 4 Wall. 502, 507 (1866). "The statement of the evidence made by the Court below is in the nature of a special verdict, and conclusive as to the facts of the case." Dower v. Richards, 151 U. S. 658, 14 S. Ct. 452 (1894) (findings of fact are conclusive on appeal in a jury-waived action from a state court and the Supreme Court has not *jurisdiction* to review the facts).

United States v. Esnault-Pelterie, 303 U. S. 26, 58 S. Ct. 412 (1938) held that this Court must treat facts found by the Court of Claims, without a jury, as equivalent to a jury verdict despite a possible broader jurisdiction under 28 U. S. C. § 288(b) which termed the review an 'appeal'.

Constitution[45]. While there may once have existed a *statutory*[46] basis for a review as to questions of fact in classical equity or maritime actions—a basis founded on the historical distinction between a writ of error and [civil law] appeal—that basis vanished when the distinction was abolished[47]. This abolition was not intended to enlarge the scope of appellate review to findings of fact[48], but rather to confine appellate review to issues of law, to the end that uniformity of legal principle[49] is preserved in the various circuits, with this Court the final arbiter of conflicts. Thus, when a Court of Appeals proceeds as did the Court below, it exceeds its jurisdiction since it lacks statutory or constitutional authority. It not only runs afoul of the prohibition of Amendment VII but it also is limited by Art. III, Sec. 1.

In short, petitioner urges that a trial court's finding is equivalent to a jury's verdict and that Rule 52(a), which has the force of a statute, is declaratory of appellate jurisdiction under the Constitution[50].

Practically speaking, of course, it is apparent that a curtailment in the number of speculative appeals is socially

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[45] "The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish". Art. III, Sec. 1.

[46] The trend has been towards narrowing the scope of review rather than towards broadening it. The "Francis Wright", 105 U. S. 381 (1881). The case cited is authority for the proposition that Congress may constitutionally *limit* a review (here in admiralty) to law only; but Amendment VII precludes extending the scope of review beyond its purview.

[47] Act Jan. 31, 1928, ch. 14, sec. 1, 45 Stat. 54 [former Sec. 861a of 28 U. S. C.; omitted from 1948 Revised Judicial Code and repealed by Act June 25, 1948 c. 646, Sec. 39, 62 Stat. 992 as obsolete]. See Reviser's note to 28 U. S. C. Sec. 1291 to effect distinction between writ of error and appeal abolished.

[48] Bengoechea Macias v. de la Torre & Ramirez, 84 F. 2d 894 (1st Cir. 1936); Bonet v. South Porto Rico Sugar Co., 86 F. 2d 279 (1st Cir. 1936).

[49] Wiscart v. D'Auchy, *supra.*

[50] Ilsen and Hone—"Federal Appellate Practice As Affected By The Rules Of Civil Procedure", F. R. C. P. (1947 rev. ed., West Publ. Co.) at pg. 419.

desirable, not only to relieve an unnecessary burden[51] on the judiciary but to minimize the cost of litigation. And it is self-evident that all the courts of appeal ought to apply similar standards of review[52]. That uniformity does not prevail is equally evident from a comparison of the decisions of the various circuits[53] which at times are inconsistent within themselves.

Petitioner respectfully urges that the time has arrived to correct these wanderings from the narrow pathway of permissible review and to re-affirm the limitations thereon inherent in the Constitution. That the time is ripe is indicated by the growing restiveness against continuing acceptance of anachronistic, conflicting standards, having no logical basis. As Judge FRANK has recently stated:[54]

> "A wag might say that a verdict is entitled to high respect because the jurors are inexperienced in finding facts, an administrative finding is given high respect because the administrative officers are specialists (guided by experts) in finding a particular class of facts, but, paradoxically a trial judge's finding has far less respect because he is blessed neither with

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[51] *Id.* at p. 424.

[52] In a traditional "law" case no error occurs if the finding is based on substantial evidence, *supra*, note 45, at p. 416. But the principle of Wiscart v. D'Auchy that all appellate review ought to be by the same standards was lost sight of in the intervening years when equity trials were later based almost exclusively on documentary evidence and the peculiar competence of the trial judge to utilize all his sense impressions in arriving at a finding was discarded. But why has the principle been ignored so long—especially since the Equity Rules of 1912 returned equity practice to the revolutionary form of the Judiciary Act of 1789? Perhaps Judge Hand's pithy comment quoted in note 38 provides a clue.

[53] Occidental Life Ins. Co. v. Thomas, 107 F. 2d 876 (9th Cir. 1939); Missouri Pacific Transp. Co. v. George, 114 F. 2d 757 (8th Cir. 1940); Andrew Jergens Co. v. Conner, 125 F. 2d 686 (6th Cir. 1942); Rogers v. Edward L. Burton & Co., 137 F. 2d 284 (10th Cir. 1943); United States v. Aluminum Co. of America, 148 F. 2d 416 (2nd Cir. 1945) court must treat trial judge's findings based on testimony as "unassailable". Contra: Hoeltke v. C. M. Kemp Mfg. Co., 80 F. 2d 912 (4th Cir. 1935).

[54] Orvis v. Higgins, 180 F. 2d 537 (2nd Cir. Feb. 2, 1950).

jurors' inexperience nor administrative officers' expertness."

Conclusion

For the foregoing reasons, this Petition for Writ of Certiorari should be granted.

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September 22, 1950.

OCT 26 1950
CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1950

No. 337

PUETT ELECTRICAL STARTING GATE CORPORATION,
Petitioner,

v.

HARFORD AGRICULTURAL & BREEDERS' ASSOCIATION and UNITED STARTING GATE CORPORATION,
Respondents.

BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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Statement

This is an ordinary patent infringement action, brought under the equity provision of the patent laws, R. S. § 4921, the complaint, as filed, having demanded an injunction and an accounting. It was tried to the District Court without a jury, any right that petitioner may have had to a jury trial having been waived by withdrawal of a demand therefor (see footnote 34, petition, page 13).

The structure complained of is a simple magnet-operated door holding and releasing mechanism in which

there is never any detachment of the parts connecting the magnet-attracted armature to the swinging door. The patent alleged to cover this structure discloses only a simple gate latch which opens by complete detachment of two hook-like parts that connect the magnet armature to the door. The structure complained of is incorporated in horse race starting gates manufactured and owned by the respondent United.*

United, a New York corporation, has leased its gates to racing associations for use at racing meets held by tracks in New York, Maryland and Florida (R. 60, 61, 154, 175). Seeking to confine the litigation to the traditionally patent-favorable Fourth Circuit, the petitioner-patentee Puett avoided bringing action against its competitor United, who was suable only in New York, and instead sued Harford, whose race track is located in Maryland, and United intervened. There is organized horse racing in which starting gates having stalls with magnetically controlled doors are used in all of the Federal Judicial Circuits with the possible exception of the Tenth. Such gates are made by at least two manufacturers other than Puett and United, and there is no concentration of either manufacture or use of these gates in any one circuit. Of course United alone has built the particular gate structure here complained of and held not an infringement, but this is true of most patent infringement actions. Other than the reluctance of the petitioner-patentee Puett to subject its patent to the hazards of litigation outside the Fourth Circuit, there is nothing to prevent litigation on the patent in other circuits.

The petitioner's "Statement" is misleading to the extent that it implies the single patent here in issue relates

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* The petitioner is hereinafter sometimes referred to as "Puett" and the respondents as "Harford" or "United".

to a Puett starting gate which "revolutionized racing" or relates to any gate about which United might have learned through "confidential relationships with Puett" (petition, p. 3). The only gate that the petitioner Puett has ever made is that covered by its *Harris* patent No. 2,309,952. The gate of the *Harris* patent is the only one that could have "revolutionized" anything. It is the only gate about which United could have obtained any information prior to September of 1946 when United was organized and any alleged confidential relations between Puett and United's personnel were at an end (R. 73, 158). The petitioner concedes that the *Harris* patent is not here in issue (petition, p. 4). There are no "obvious economic reasons" why Puett did not use the *Whann* patent gate. The original application on which the *Whann* patent here in issue is based was filed September 9, 1941 (R. 181). The apparent reason why the *Whann* patent gate was never built or used is that it would be dangerous to horses (R. 172, 293, 294). Petitioner's assertions that respondent United "has used Puett's (Whann) 1948 patent" (petition, p. 3) begs the question decided adversely to petitioner by the Court of Appeals. That is the question respondents here assert is entitled to no further review.

The District Court based its conclusion of infringement solely on documentary evidence comprising the patents, and its own inspection of models* of the patent structure, the accused structure of respondents, and a prior art patent. The District Court made no reference to any oral testimony of experts or others and, in fact, on the question of infringement, did not refer to *any* evidence other than the models and the patent.

> "The starting gate of United, which Puett claims infringes both of the patents in suit, is very similar

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* The models were accepted by petitioner as correctly showing the critical elements of the devices they represent (R. 152).

in numerous structural features to the starting gates constructed in accordance with the specifications and claims of both of those patents. This is made clear by an inspection of the models introduced in evidence and which have been of very great help to the Court in comparing one device with another." (R. 8.)

* * * *

"Turning now to a more analytical examination of the models of both patented devices and of the device of United, and taking up first the Whann patent, * * *" (R. 9).

* * * *

"An examination of the two models shows that this difference in location merely requires, for the performance of the same function in one device, * * *" (R. 11).

There is nothing in the record or the opinion indicating that the District Court's conclusion of infringement was based on any of the oral testimony referred to at page 12 of the petition.

The Court of Appeals similarly based its conclusion of non-infringement solely on the same patent documents and models forming the basis of the District Court's conclusion, and each of the three learned Judges of the Appellate Court personally and repeatedly inspected the models and observed their operation during the argument on appeal. There is no reference to indicate that the Appellate Court reviewed or referred to any oral testimony in concluding that the District Court's finding of infringement was erroneous.

Summary of Argument

I

There are no special or important reasons for granting the writ. The conclusion of infringment in the Trial Court and in the Appellate Court was based solely on documentary and physical evidence that was not in dispute, and not on oral testimony The subject matter and the evidence were such that the question of infringement resolved itself into a question of law properly reviewable by the Appellate Court.

II(a)

The Court of Appeals for the Fourth Circuit has not in this or other cases exceeded its powers of review as set forth in Rule 52(a) of the Rules of Civil Procedure and as interpreted by this Court and followed by Courts of Appeals of other Circuits. The Appellate Court in this case has followed the accepted and usual course of judicial proceedings in patent infringement actions where the question of infringement is readily determinable from a comparison of undisputed documentary and physical evidence.

II(b)

Amendment VII of the United States Constitution restricts appellate review only with regard to facts tried by a jury. In the present case, the facts were tried by the Court without a jury and any right to a jury trial was waived by petitioner; wherefore Amendment VII has no application in the present case.

III

In stating its inability to agree with the District Court's conclusion of infringement and giving its reasons based on the undisputed evidence in the case, the Appellate Court acted within the provisions of Rule 52(a). A statement of inability to agree, with an analysis of the reasons for disagreement, is a finding that the District Court's conclusion was clearly erroneous within the meaning of Rule 52(a).

ARGUMENT

I.

There are no special or important reasons for granting the writ sought by the petition. There is no conflict between courts of different circuits. No important or unsettled question of law is decided in conflict with applicable decisions of this Court, and there has been no departure from the accepted and usual course of judicial proceedings.

The litigation is a private controversy between private parties under the old and oft-interpreted patent statutes. The issue decided adversely to petitioner by the Court of Appeals for the Fourth Circuit is whether United's non-detaching latchless door releasing mechanism infringes Puett's patent on a detaching hook-latch door releasing mechanism (R. 294).

Looking to the realities of the controversy and not to its technicalities, the Court of Appeals found that the mechanism of the patent had never been made or used and accordingly construed the patent claims as limited to what was new over the prior art as shown by the patent specification (R. 291, 292). The Court of Appeals thereby followed a rule of patent construction well established by this

Court and by other Courts of Appeals.* The Court of Appeals found that the similarities between the patent and the United structure were largely old expedients, whereas the differences therebetween resided in that to which the patent must be limited to avoid anticipation (R. 294). It accordingly found the conclusion of infringement reached by the District Court clearly erroneous, stating that it was unable to agree with that conclusion.

In concluding that there was no infringement, the Court of Appeals did not review what witnesses had said, which would have been significant only if the Court could not understand the patent language or the technical aspects of the patented subject matter without resort to extrinsic evidence. Like the District Court, the Court of Appeals found the door holding hook latches and links involved were so simple that resort to testimony in explanation thereof was unnecessary. There was no dispute of facts as to the patented structure, the accused United structure or the prior patent structure, all of which were clearly represented by simple models that Puett agreed were correct (R. 152). The question of infringement was therefore properly determined on appeal, as it had been in the District Court, that is, by a mere comparison between the disclosure of the patent and the accused United structure. In such a situation, the question of infringement resolves itself into a question of law, peculiarly within the province of the Appellate Court.**

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* *Deering* v. *Winona Harvester Works,* 155 U. S. 286, 296; *Thompson* v. *Westinghouse Electric & Mfg. Co.,* 116 F. 2d 422, 425 (2 Cir., 1940).

** *Sanitary Refrigerator Co.* v. *Winters,* 280 U. S. 30, 36; *Singer Mfg. Co.* v. *Cramer,* 192 U. S. 265, 275; *Heald* v. *Rice,* 104 U. S. 737, 749.

II.

Faced with a lack of any conflict, public interest or departure from established interpretation of the patent statutes, petitioner urges that the Court of Appeals has exceeded its powers of review as allegedly limited by Rule 52(a) of the Rules of Civil Procedure and by the Seventh Amendment of the Constitution, in overturning the Trial Court's conclusion of infringement, and further urges that the Court of Appeals has similarly exceeded its powers in other cases (Petition, pp. 6 to 18). In so doing, petitioner has either overlooked or ignored this Court's pronouncements in *United States* v. *Gypsum Co.*, 333 U. S. 364, 394, 395, 396, which dispose of both of petitioner's contentions. In the *Gypsum* case, which was a direct appeal to this Court from a three-judge statutory Trial Court, this Court decided:

> "* * * Since judicial review of findings of trial courts does not have the statutory or constitutional limitations on judicial review of findings by administrative agencies[12] or by a jury,[13] this Court may reverse findings of fact by a trial court where 'clearly erroneous' " * * * "A finding is 'clearly erroneous' when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed." (333 U. S. at 395).
>
> (Citing authorities at [12] and [13].)

II(a).

With regard to the effect of Rule 52(a), it is established beyond question that the rule makes applicable the equity practice prevailing at the time the rule was adopted.

This Court so stated, and stated the prevailing equity practice as follows in *United States* v. *Gypsum Co.*, 333

U. S. 364, 394, 395:

> "* * * In so far as this finding and others to which we shall refer are inferences drawn from documents or undisputed facts, heretofore described or set out, Rule 52(a) of the Rules of Civil Procedure is applicable. * * * It was intended, in all actions tried upon the facts without a jury, to make applicable the then prevailing equity practice.[11] * * * The practice in equity prior to the present Rules of Civil Procedure was that the findings of the trial court, when dependent upon oral testimony where the candor and credibility of the witnesses would best be judged, had great weight with the appellate court. The findings were never conclusive, however.[14]
>
> * * *
>
> "The government relied very largely on documentary exhibits, and called as witnesses many of the authors of the documents. Both on direct and cross-examination counsel were permitted to phrase their questions in extremely leading form, so that the import of the witnesses' testimony was conflicting. On cross-examination most of the witnesses denied that they had acted in concert in securing patent licenses or that they had agreed to do the things which in fact were done. Where such testimony is in conflict with contemporaneous documents we can give it little weight, particularly when the crucial issues involve mixed questions of law and fact."
>
> (Citing authorities at [11] and [14].)

Following this decision, the Court of Appeals for the Second Circuit adopted and restated the interpretation of the rule so enunciated as follows:

> "* * * Where a trial judge sits without a jury, the rule varies with the character of the evidence: (a) If

he decides a fact issue on written evidence alone, we are as able as he to determine credibility and so we may disregard his finding.[6] (b) Where the evidence is partly oral and the balance is written or deals with undisputed facts, then we may ignore the trial judge's finding and substitute our own, (1) if the written evidence or some undisputed fact renders the credibility of the oral testimony extremely doubtful,[6a] or (2) if the trial judge's finding must rest exclusively on the written evidence or the undisputed facts, so that his evaluation of credibility has no significance.[6b]'' *Orvis* v. *Higgins,* 180 F. 2d 537, 539 (2 Cir., 1950).

(Citing authorities at [6], [6a] and [6b].)

The Courts of Appeals for other circuits have uniformly applied the rule as so defined, namely, that in non-jury cases, where the evidence is largely documentary or physical or not in dispute (as were the patents and the models relied on by the District Court herein), as distinguished from conflicting oral testimony, the appellate court is as competent to review and interpret the evidence as was the trial court and is not precluded from so doing by Rule 52(a).*

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* *Sbicca-Del Mac* v. *Milius Shoe Co.,* 145 F. 2d 389, 395, 396 (8 Cir., 1944);
Sales Affiliates v. *National Mineral Co.,* 172 F. 2d 608, 613 (7 Cir., 1949);
Letcher County v. *De Foe,* 151 F. 2d 987, 990 (6 Cir., 1945);
Butex Gas Co. v. *Southern Steel Co.,* 123 F. 2d 954, 955 (5 Cir., 1941);
Kuhn v. *Princess Lida of Thurn & Taxis,* 119 F. 2d 704, 705, 706 (3 Cir., 1941);
Hanovia Chemical & Mfg. Co. v. *David Buttrick Co.,* 127 F. 2d 888, 891 (1 Cir., 1942);
Home Indemnity Co. of New York v. *Standard Acc. Ins. Co.,* 167 F. 2d 919, 930 (9 Cir., 1948).

In the decisions criticized at pages 7 to 10 of the petition, and in the present case, the Court of Appeals for the Fourth Circuit has applied Rule 52(a) precisely as enunciated by this Court in the *Gypsum* case and by the appellate courts of other circuits.

In *Hoeltke* v. *C. M. Kemp Mfg. Co.*, 80 F. 2d 912 (petition, p. 7), the primary defenses upheld by the District Court and overturned by the Court of Appeals were invalidity, non-infringement and a finding that defendant's employees independently invented the patented device. The Court of Appeals relied wholly on undisputed documentary evidence, comprising the cited patents, in reversing the conclusion of invalidity (80 F. 2d at 917). It compared defendant's structure to the patent in concluding that there was error in the trial court's finding of non-infringement (80 F. 2d at 921) and it based its conclusion that defendant had not independently invented the device on documentary evidence comprising letters between the parties and other evidence "as to which there is no controversy" (80 F. 2d at 927). The defendant-appellee filed a petition for writ of certiorari for the reason, *inter alia*, that the Appellate Court failed to follow the rule of this Court with respect to the weight to be accorded factual findings of the trial judge.* The petition was denied by this Court.**

Similarly, in *Connecticut Paper Products, Inc.* v. *New York Paper Co.*, 127 F. 2d 423, referred to at page 7 of the petition, the Court of Appeals reached its conclusion that the second mechanical patent was invalid by examination of the patent itself (127 F. 2d at 427, 428) and exami-

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* *C. M. Kemp Mfg. Co., petitioner* v. *William F. Hoeltke, respondent*, October Term 1935, No. 901, Reason No. 6 at page 6 of the Petition.

** 298 U. S. 673.

nation of an actual prior device of plaintiff and of the prior art (127 F. 2d at 429). Thus, all the documents or physical things on which the Court based its conclusion comprised evidence as to which there was no dispute and which the Appellate Court was as competent to weigh as was the Trial Court.

In *Triumph Explosives, Inc.* v. *Kilgore Mfg. Co.*, 128 F. 2d 444, referred to at page 7 of the petition, both the District Court and the Court of Appeals based their conclusions as to validity and infringement on the undisputed documentary patents in suit and prior patents alone (128 F. 2d 444, at 446, 447, 448; 37 F. Supp. 766 at 770-774). The piece of evidence to which the Appellate Court said its first conclusion failed to give sufficient weight was a British patent, which was physically before the Trial and Appellate Courts (128 F. 2d at 448, 449).

In *Lever Bros Co.* v. *Procter & Gamble Mfg. Co.*, 139 F. 2d 633, the District Court based its conclusion that the patent was limited and so not infringed by the defendant's soap on "the whole evidence in the case"* including undisputed evidence comprising the patent itself, the file wrapper, the prior art, and observation of the soap products in issue. The Court of Appeals reviewed all of the evidence and expressly found that "the District Court erred in holding that Bodman's claims should be limited to a process around 190°F."** As to the evidence of what petitioner calls "an important and scientific witness" (petition, p. 8), neither the structure nor the manner of operation of the mixer involved was in dispute and the Court found the witness's conclusion was in conflict with the undisputed facts evidenced by such structure and

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* 49 F. Supp. 443, 461.
** 139 F. 2d 633, 637.

operation,* just as this Court found the testimony to be in conflict with the contemporaneous documents in the *Gypsum* case, *supra* (333 U. S. 364, 396).

In the case of *Binney & Smith Co.* v. *United Carbon Co.*, 125 F. 2d 255, discussed at page 9 of the petition, the District Court held that if the claims were valid and broadly construed, they were infringed (37 F. Supp. 779, 780, Finding 5), but that the claims could not be broadly construed because "not sufficiently definite" (*Id.* at 780, Finding 4). The Court of Appeals adopted the District Court's finding that the claims were infringed if valid and broadly construed (125 F. 2d 255, 260), examined the undisputed evidence comprising the patent itself and the prior art, and decided the claims were both valid and definite (125 F. 2d 255, 258, 259). The Appellate Court accordingly applied the Trial Court's finding of infringement solely on the basis of undisputed documentary evidence. This Court reversed, holding the claims indefinite in view of the uncontradicted testimony of one Weigand as to the meaning of the claim language (317 U. S. 228, 233), thus upholding the propriety of reviewing conclusions based on undisputed factual evidence.

In *Jordan* v. *Hemphill Co.*, 180 F. 2d 457, the Court found that contemporaneous documents, comprising sketches, drawings and letters, established that a machine admittedly demonstrated to the Holeproof Hosiery Co. prior to the critical patent date was equipped with the patented gap closers (180 F. 2d 457, 462, 463, 464). The Appellate Court based its findings on "all the evidence" (*Id.* at 464) and found the District Court's rejection of the defense "erroneous" (*Id.* at 464, 465). The finding was again based on uncontradicted documents which the Appellate Court could appraise as well as the Trial Court.

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* 139 F. 2d 633, 642, 643.

The petitioner misstates the basis for the Appellate Court's finding of commercial success in *Florence-Mayo Nuway Co.* v. *Hardy,* 168 F. 2d 778, 780 (Petition, pp. 10 and 11). The Court said:

> "* * * There is evidence that strongly supports the view that, by the use of this device, tobacco was cured in less time and more satisfactorily than by other methods, so that it weighed more and brought a better price on the market. *Whether this view was justified or not,* the defendants apparently thought so; for their infringing device adopted the heart of the Mayo invention, viz., the intake pipe delivering outside air under the hood over open flame burners, and their advertisements proclaimed that tobacco cured in this way would be of better grade and would bring a better price on the market. *Theories of experts pro and con were given in evidence; but more convincing than their evidence is the fact that the Mayo invention met the pragmatic test.* Practical raisers and curers of tobacco began using it to such an extent that the old devices ceased to be sold." (Emphasis added.)

The evidence relied on by the Appellate Court was not the conflicting evidence of experts but the undisputed fact that the patented device was successful and replaced what had gone before it.* It decided as a matter of law that what actually happened was entitled to more weight than was the testimony of experts. That an earlier patentee may have solved the problem has no bearing on the propriety of the Appellate Court's finding when based on undisputed evidence.

In the present case, the District Court based its finding of infringement solely on the patent and the models of the

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* The District Court also found that the patented device, as well as the infringing device, was successful. See *Florence-Mayo Nuway Co.* v. *Hardy,* 75 USPQ 137 at 141.

devices which were simple and readily understandable without reference to expert or other testimony. This same evidence which formed the basis for the District Court's conclusion was before the Appellate Court and was as readily susceptible to analysis by that Court as by the District Court. Petitioner does not point to any instance in which the Appellate Court reviewed or reversed any finding of the District Court based on disputed evidence or on oral testimony of any kind (*supra*, pp. 3 and 4).

We disagree with petitioner's assertion that defendant's witnesses admitted every element of the patent claims was found in the accused structure, but we believe the point irrelevant to the issues raised by the petition. The District Court's conclusion of infringement was based solely on the undisputed patent documents and physical models—evidence which the Appellate Court was in as good a position to evaluate as was the Trial Court.* On this same undisputed evidence, the Court of Appeals found the conclusion of infringement erroneous. If the oral testimony had been at variance with the conclusion impelled by the documents and models, it could not have been accorded controlling weight.** The essential difference between the detaching claw-like parts of the patent and the non-detaching link of the United structure is unassailably established by the documents (compare detachment and non-detachment of parts 51-52 and 6-3 colored red and blue at R. 136 and 137; R. 294).

In the vast majority of patent infringement actions, the question of infringement is determined in the Trial Court by visual comparison of undisputed evidence comprising the patent and drawings or models of the thing alleged to infringe. In such cases, the Appellate Court is as competent as the Trial Court to review the conclusion of

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* *Orvis* v. *Higgins*, 180 F. 2d 537, 539 (2 Cir., 1950).

** *United States* v. *Gypsum Co.*, 333 U. S. 364 at 396.

infringement, as in so doing it does not re-weigh evidence depending on the demeanor of any witness or on any other happening at the trial. Certainly where the subject matter is visible and simple, so that the comparison can be made without the aid of expert testimony, the three Judges of the Appellate Court are at least as competent to appraise the question of infringement as is the District Judge. It is true that in some patent cases the subject matter is complex and obscure so that the oral testimony of technical experts is necessarily the only basis for a conclusion on validity or infringement, and in such cases the upsetting of a finding based on such technical evidence in the form of oral testimony may violate the rule. Thus, in *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.*, 336 U. S. 271, the space between the arc welding electrodes where the electric arc was asserted to have been eliminated was not visible because hidden from view by the flux, and the Appellate Court's review of a finding of invalidity based on oral testimony that the arc was still present, although shielded by the flux, was improper (*Id.* at 279). But the operation of the simple door latching structures involved in the present case does not rise to the dignity of a complex scientific demonstration or examination. The hook latches of the patent and the linked magnet of the United gate doors are at least as simple as were the refrigerator door latches that this Court analyzed in determining the question of infringement in *Sanitary Refrigerator Co.* v. *Winters*, 280 U. S. 30.

II(b)

Although admitting that in overturning the Trial Court's conclusion of infringement the Court of Appeals committed no literal violation of Amendment VII of the Constitution*, petitioner nevertheless argues that the Ap-

* "* * * and no fact tried by a jury, shall be otherwise reexamined in any Court of the United States, other than according to the rules of the common law."

pellate Court "violated a right secured to petitioner by Amendment VII" (petition, p. 13). The gist of petitioner's position is "* * * that a trial court's finding is equivalent to a jury's verdict * * *" (petition, p. 17).

A complete answer is this Court's pronouncement in the *Gypsum* case that "judicial review of findings of trial courts does not have the statutory or constitutional limitations on judicial review of findings * * * by a jury * * *" (333 U. S. 364, 395).

Amendment VII of the Constitution limited Article III thereof only as to facts tried by a jury.* As to all other cases, Congress has unlimited discretion to grant both original and appellate jurisdiction, including the power of appellate review of the law and the facts, to courts inferior to this Court, in any manner that it sees fit.**

By an Act of June 19, 1934 (28 U. S. C. 723 b, c*** now 28 U. S. C. 2072), Congress empowered this Court to prescribe by general rules the practice and procedure in civil actions in law and to unite the general rules in equity with those at law while preserving the constitutional

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* *Slocum* v. *New York Life Ins. Co.*, 228 U. S. 364, 377.

** *Martin* v. *Hunter*, 1 Wheat. 304, 388; *Insurance Company* v. v. *Dunn*, 19 Wall. 214, 226.

*** "§ 723b.

The Supreme Court of the United States shall have the power to prescribe, by general rules, for the district courts of the United States and for the courts of the District of Columbia, the forms of process, writs, pleadings, and motions, and the practice and procedure in civil actions at law * * *."

"§ 723c.

The court may at any time unite the general rules prescribed by it for cases in equity with those in actions at law so as to secure one form of civil action and procedure for both: *Provided, however,* That in such union of rules the right of trial by jury as at common law and declared by the seventh amendment to the Constitution shall be preserved to the parties inviolate."

right of trial by jury. In actions such as that at bar which are tried by the court without a jury, appellate review is governed by Rule 52(b) prescribed by this Court, which has the force of a statutory enactment of Congress, and is not governed by the constitutional restriction on the review of facts tried by a jury.

III

Putting form of words before substance or meaning, petitioner strongly suggests that the language of the Court of Appeals when it said it was "unable to agree" with the District Court's conclusion of infringement indicates a failure to find the Trial Court's conclusion "clearly erroneous" as required by Rule 52(a) (petition, pp. 5, 12).

This Court has defined the language of the rule in the *Gypsum* case, *supra*. In the quotation from the *Gypsum* case appearing at page 8 of this brief, a "clearly erroneous" finding is defined as one where the reviewing court, on the entire evidence, is left with the definite and firm conviction that a mistake has been committed. The Court of Appeals here expressed just such a definite and firm conviction when, upon a review of all the undisputed documents and physical evidence, it said:

> "This brings us to the correctness of the District Judge's holding that the United gate infringes the Whann patent. With this conclusion of the District Court, we are unable to agree." (R. 293.)

The inability to agree with the correctness of the holding is unmistakably expressive of a finding that the holding is clearly in error. Inability to agree denotes an effort to follow through to the conclusion reached,—an effort that fails because of the clear error of that conclusion.

The rule imposes no requirement as to what language should be adopted by a reviewing court to express its

conclusion of clear error. There is no difference in substance between the phrase "a mistake has been committed,"* "this finding is against the clear weight of the evidence"** and "With this conclusion * * * we are unable to agree." The unreasoning adherence to phraseology that petitioner suggests does violence to modern legal interpretation. Speaking of the duties of the judge in interpreting statutory language, Judge Learned Hand said:

> "* * * On the one hand he must not enforce whatever he thinks best; he must leave that to the common will expressed by the government. On the other, he must try as best he can to put into concrete form what that will is, not by slavishly following the words, but by trying honestly to say what was the underlying purpose expressed" (*Usatorre* v. *The Victoria,* 172 F. 2d 434, 2 Cir., 1949, footnote at p. 443).

CONCLUSION

For the foregoing reasons, the petition for writ of certiorari should be denied.

Respectfully submitted,

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October 24, 1950.

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* *United States* v. *Gypsum Co., supra,* at page 395.
** *Fleming* v. *Palmer,* 123 F. 2d 749, 759 (1 Cir., 1941).

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CHARLES ELMORE CROPLEY
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IN THE

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No. 337

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Petitioner,

v.

HARFORD AGRICULTURAL & BREEDERS' ASSOCIATION and UNITED STARTING GATE CORPORATION,

Respondents.

PETITIONER'S REPLY BRIEF

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October 25th, 1950

IN THE

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PETITIONER'S REPLY BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

Argument

The persistently recurring themes of respondents' brief are that the factual finding of infringement was based "solely on undisputed documentary evidence" (resp. brief pages 3, 4, 5, 7, 10, 14, 15, 18) and that the starting gates considered by the trial court were "simple" (resp. brief pages 1, 2, 7, 15, 16). *Neither of these statements is correct.* Respondents' attempt to compose a symphony of but two notes highlights the poverty of merit in their contentions. Their brief is mere argumentation by assumption and is a deliberate effort to dissuade this Court from scrutinizing the fundamental problems at bar.

I

a) The trial court's finding is not based solely on undisputed documentary evidence.

District Judge COLEMAN did not base his factual finding of infringement "solely" on documentary evidence. As pointed out in the petition (page 4) this finding was based on exhaustive oral testimony of respondents' officers and expert witness as well as upon documentary evidence. Petitioner established the fact of infringement by examining hostile witnesses (R. 31-41, 59-72, 72-78) at the trial and also by cross-examining respondents' expert witness (R. 87-123). Not only is the record replete with indications that the trier of the facts was deeply impressed by the oral testimony* on infringement but in his published opinion he states:

> "While there is considerable weight to this argument [relating to unfair competition], it is after all based upon little, if anything, more than the *cumulative* evidence that this Court has *heard* which supports Puett in its claim of *infringement* to the extent heretofore indicated. This being true, we feel that the testimony respecting unfair competition, as such, when divorced from the question of patent infringement itself, is not sufficiently strong to warrant our ruling that Puett is entitled to redress on this separate score." 88 F. Supp. 360, at 368; R. 16-17 (emphasis supplied).

This excerpt refutes respondents' repeated assertions that the District Court on the question of infringement "made no reference to any oral testimony . . . and did not refer to *any* evidence other than the models and the patent" (resp. brief pages 3, 4). Actually the District Court's analyses of the patented gate model and the infringing gate model were bottomed on the explanation of these gates given in oral testimony.

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* *e. g.* R. 118. The Court: "As I sit here and look at it from your admission, your testimony of the functioning parts of Defendant's Exhibit B, they substantially correspond to the functioning parts of Defendant's device, . . ."

b) **Respondents' crude models do not constitute undisputed physical evidence.**

The short answer to respondents' repeated statements that the crude, simplified models fabricated by them are "undisputed" physical evidence may be found in the record at page 105. There, the Court noted an important discrepancy between one of the models and a patent drawing it purportedly represented. Additionally, petitioner's counsel convincingly demonstrated to the trial court that respondents' model supposedly representing petitioner's patented starting gate was calculated to depreciate the patented structure by portraying it as of questionable reliability (R. 70, 93, 102-104).

II

The starting gates in issue are not *simple* structures.

It becomes respondents poorly to make the belated contention that the starting gates in issue are "simple". Their position and actions at the trial were obviously incompatible with their present appellate position. If the gates were so simple, why did respondents employ a highly reputed expert witness to testify to the construction and operation of the patented and infringing gates? The trial lasted almost two weeks (petitioner's brief page 12) of which four days were devoted to this expert's testimony. Compare this with the *Graver* case, which respondents single out in their brief at page 16 as a paragon of technical complexity necessitating expert evidence, wherein the trial was of similar duration to the trial of this cause.

Respondents in attempting to create and sustain the illusion of simplicity have characterized the patented structure as nothing more than "a simple gate latch". Reference to the patent, the record and the opinions of both of the courts below makes clear that the patented structure is a novel *combination* of elements forming an improved starting gate including a latch mechanism having a definite *modus operandi*. The patented structure is

not simple as a brief glance at the photograph of the accused starting gate (R. 142) will reveal.

III

Respondents rely heavily (resp. brief pages 8, 9, 11, 13, 15, 17, 18, 19) on *United States* v. *United States Gypsum Co.*, as supposedly establishing the broad, inflexible rule that an appellate court may overturn findings of fact "where the evidence is largely documentary or physical or not in dispute" (resp. brief page 10). It has already been pointed out, *supra,* that such is not the situation in this case.

Since the *Gypsum* case, this Court has enunciated the qualifying principle that, where oral testimony conflicts with documentary and physical evidence, and the trial judge chooses to weigh the oral testimony more heavily, such "a choice between two permissible views of the weight of the evidence is not 'clearly erroneous' ". *United States* v. *Yellow Cab Co.* (petitioner's brief, page 6, note 1). It is noted that in the *Gypsum* case, the trial court had dismissed the complaint at the close of plaintiff's evidence, whereas in the *Yellow Cab* case and in the case at bar both plaintiff and defendant had completed their cases.

IV

The cases cited by petitioner as incorrectly decided by the Court of Appeals have not been vindicated by respondents.

Respondents have endeavored to rationalize the erroneous decisions of the Court of Appeals which are cited in pages 7-11 of petitioner's brief. Petitioner is confident that this Court will note the obfuscatory technique of respondents in failing to meet the analyses of the decisions as stated by petitioner. The underlying note of respondents here is that patent actions are decided on the basis of "undisputed evidence" (resp. brief pages 11, 12, 13, 14, 15). This Court well knows that this is not so.

The Court's attention is called to the equivocal words used by respondents in their statements of the character of the evidence before the trial courts in the decisions cited. For example, respondents state that the evidence 'included' undisputed evidence in the *Lever Bros.* case (resp. brief page 12) and that in the *Binney & Smith* case (resp. brief page 13) it 'comprised' undisputed documentary evidence. This evasiveness is no answer to petitioner's charge that the Court of Appeals is in the habit of ignoring or riding roughshod over oral testimony which may conflict with documents.

It is difficult to understand respondents' reasoning that this Court, in the *Binney & Smith* case, bestowed an accolade upon the Court of Appeals when this Court *reversed* the Court of Appeals and thus reinstated the factual findings of the trial court, based on both documentary and oral evidence, that the patent was invalid because indefinite. Furthermore, that this Court failed to review the other decisions cited by petitioner gives small comfort to respondents' assertion of unblushing rectitude in the Court of Appeals.

V

As a matter of patent law (aside from the other errors cited), the Court of Appeals employed an erroneous test of infringement.

The error of patent law committed by the Court of Appeals was in determining non-infringement by ascribing material significance to *unclaimed* elements or limitations of the patented structure and the accused structure rather than by confining itself to the *claimed* elements or limitations. Such a test would overrule this Court's insistence that patent claims be clear and that they define the invention so that ill-defined, widespread monopolies do not terrorize industry.

This Court, speaking through Mr. Justice Stone, held that *only* the claimed elements and limitations measure the

invention covered by a patent. And a Court of Appeals errs in measuring infringement in terms of unclaimed elements or limitations. *Smith* v. *Snow et al.*, 294 U. S. 1, 55 S. Ct. 279 (1935).

The error noted will be explored more fully in discussing the merits of petitioner's case, in the event the writ issues.

VI

Respondents have avoided meeting petitioner's argument on the constitutional limitations of appellate review. They refuse to recognize the petitioner's contentions that appellate limitation is based on history as well as upon evolution of law. They stand flat-footedly on dicta in the *Gypsum* case (resp. brief p. 17).

Conclusion

Petitioner's contentions remain unanswered. For the foregoing reasons the writ should issue.

Respectfully submitted,

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RESPONDENTS' REPLY BRIEF

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RESPONDENTS' REPLY BRIEF

We believe the Court may be aided by our answer to three contentions of petitioner's reply brief.

I.

The excerpt from the Trial Court's opinion quoted at page 2 of petitioner's reply brief did not have to do with infringement but related solely to alleged unfair competition, as is evident both from the portion petitioner quotes and from the immediately following statement:

> "* * * We are influenced in this conclusion to some extent by the character of the devices here in issue. That is to say, * * * there is no evidence that the latter [Puett's device] had become so distinctive merely in appearance as to condemn what United did, apart

> from the question of infringement, particularly since starting devices are not like commodities for which there is a general market but are dealt in only by formal, special contracts" (R. 17).

Petitioner does not indicate any point at which either the Trial Court or the Appellate Court referred to or followed any oral testimony in reaching a conclusion with respect to infringement.

II.

It ill becomes petitioner's attorney to dispute the models after he admitted in open court that "we can take them and use them, as I say, showing the combination and arrangement of the parts in which we are interested" (R. 152). The alleged "important discrepancy" referred to at page 3 of petitioner's reply related to the model of the *Harris* patent, the patent petitioner has abandoned, and not to the ***Whann*** patent here in issue (See R. 101, 102, 103, 104; the abandoned *Harris* patent is referred to as Patent No. '952 in the record). Petitioner repeats this misleading reference to a dispute concerning a model by characterizing the testimony on pages 102 and 104 of the record as relating to "petitioner's patented starting gate", when the model actually discussed was that of the abandoned *Harris* patent. No alleged shortcomings of a model of a patent not here in issue, the Appellate Court's decision as to which is not questioned by petitioner, can be of any significance.

III.

The simplicity or complexity of the structure involved is not determined by the repute of an expert witness or the time consumed at trial. A glance at the patent itself (R. 179) discloses the unquestionable simplicity of the two disengageable hooks 45 and 47 that comprise the patented latch. Petitioner did not, at the trial or on appeal, rely

on the photograph at R. 142, to which it now seeks to confine attention, but instead relied on its own drawings of the simple non-disengaging link that holds the doors in respondents' structure (R. 137-141). Any apparent complexity of the photograph resides in duplication of stalls and in the bridge-like superstructure, neither of which is disclosed in petitioner's patent.

CONCLUSION

Petitioner's reply brief is misleading and inaccurate.

Respectfully submitted,

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PETITION FOR REHEARING UPON ORDER DENYING PETITION FOR CERTIORARI

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PETITION FOR REHEARING UPON ORDER DENYING PETITION FOR WRIT OF CERTIORARI

Petitioner prays that this Court grant rehearing upon its order of November 6, 1950, denying the petition for writ of certiorari, and that a writ of certiorari issue to review the judgment of the Court of Appeals for the Fourth Circuit in the above-entitled case as prayed for in the petition filed September 27, 1950, herein.

Reasons for granting rehearing and issuing the Writ

1. At the time of this Court's order of November 6, 1950, there were other substantial grounds available to petitioner which had not been fully presented. *Schriber-*

Schroth Co. v. *Cleveland Trust Co.*, 305 U. S. 47. Since that time, it has become apparent to petitioner that confusion has arisen in the minds of courts as well as amongst lawyers as to the scope of appellate review under Rule 52(a). This confusion has resulted from the broad and vague language to be found in *U. S.* v. *U. S. Gypsum Co.*, 333 U. S. 364 (1948) where it is stated that a finding of fact by a trial judge may be set aside when "the reviewing court on the entire evidence is left with the *definite and firm conviction that a mistake has been committed*". A recent example of the judicial belief that the *Gypsum* case sets forth a new standard of appellate review is found in the opinion of the Court of Appeals for the Ninth Circuit in *Pacific Portland Cement Co.* v. *Food Machinery & Chemical Corp.*, 178 F. 2d 541, at 548 (1950). The court therein referred to its power to review fact findings under the mandate of Rule 52(a) as having been previously defined in the "substantial evidence" test, as laid down by this Court and various Courts of Appeal. However, it viewed this test as modified by the *Gypsum* case, stating: "*In contrast* [to the "substantial evidence" test], the Supreme Court has told us that "A finding is clearly erroneous when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed."

Perhaps this Court did not intend to propound a *new* standard of appellate review in the *Gypsum* case. A clue that this may be so arises from the fact that in its later decision of *U. S.* v. *Yellow Cab Co.*, 338 U. S. 338 (December 1949),* this Court did not even mention the *Gypsum* case but apparently followed the former "substantial evidence" test in a *specific* evidentiary situation on all fours with the case at bar.

Although a new test may not have been intended by the *Gypsum* decision, in some dozen recent decisions, Courts of

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* Cited in petitioner's brief at page 6, footnote 1.

Appeal have relied on the apparent rule stated in the *Gypsum* case as defining the law.*

This uncertainty as to the interpretation of Rule 52(a) is also shared by members of the bar, as is indicated by the volume of litigation provoked. In the two years prior to the *Gypsum* case, a total of two petitions for certiorari were presented to this Court based on Rule 52(a). In the single year following the *Gypsum* decision six such petitions were filed. In the short initial portion of the present term, the number of such petitions has already reached last year's number and will soon surpass it.

Evidently there will be an increasing number of such petitions which will burden this Court in the future unless the confusion is removed.

Furthermore, if the *Gypsum* case declaration stands unmodified, it will halt further progress toward the desired satisfactory single standard for appellate review—irrespective of whether findings of fact issue from a jury, an administrative agency or a court.**

Conclusion

For the reasons set forth above and in the petition for writ of certiorari, it is respectfully urged that rehear-

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* Hardt v. Heller Bros. Co., 171 F. 2d 644, 648 (1948); Orvis v. Higgins, 180 F. 2d 539 (1950); Home Indemnity Co. of N. Y. v. Standard Acc. Ins. Co., 167 F. 2d 923 (1948); Nat'l Motor Bearing Co., Inc. v. Chanslor & Lyon Co., 167 F. 2d 1001 (1948); Grace Bros. v. C. I. R., 173 F. 2d 170, 173 (1949); Nee, Collector of Int. Rev. v. Main St. Bank, 174 F. 2d 425, 428 (1949); Nee, Collector of Int. Rev. v. Linwood Sec. Co., 174 F. 2d 434, 437 (1949); C. I. R. v. Brown Shoe Co., Inc., 175 F. 2d 305, 308 (1949); Colusa Remedy Co. v. U. S., 176 F. 2d 551, 554 (1949); Lassiter v. Guy F. Atkinson Co., 176 F. 2d 984, 993 (1949); McClyman v. Hamilton, 180 F. 2d 965, 968 (1950); West v. Conrad, 182 F. 2d 255 (1950); and Dollar v. Land, 184 F. 2d 245 (1950).

** All modern procedural tendencies in non-jury cases seek to center responsibility for the decision of the facts upon the trial judge; broadening the scope of appellate review of facts is "obsolete". Judge Learned Hand in Petterson Lighterage & T. Corp. v. New York Central R. Co., 126 F. 2d 992, at 996 (1942), cited in petitioner's brief in footnote 38, pages 14-15.

ing be granted and that, upon such rehearing, a writ of certiorari issued to the Court of Appeals for the Fourth Circuit.

Respectfully submitted,

Counsel for Petitioner

Certificate of Counsel

I hereby certify that the foregoing petition for rehearing is presented in good faith and not for delay and is restricted to grounds specified in Rule 33 of the rules of this Court.

Counsel for Petitioner

Dated: November 20, 1950

NOV 24 1950
CHARLES ELMORE GROPLEY
CLERK

IN THE

Supreme Court of the United States

October Term, 1950

No. 337

PUETT ELECTRICAL STARTING GATE CORPORATION,

Petitioner,

v.

HARFORD AGRICULTURAL & BREEDERS' ASSOCIATION and UNITED STARTING GATE CORPORATION,

Respondents.

RESPONDENTS' REPLY TO PETITION FOR REHEARING

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RESPONDENTS' REPLY TO PETITION FOR REHEARING

Petitioner's assertion of confusion in "the minds of the courts" as to the scope of appellate review under Rule 52(a) finds no support in the cited decision. Characterizing as "broad and vague" the language of this Court in *U. S.* v. *U. S. Gypsum Co.*, 333 U. S. 364, 395, petitioner says the decision of the Court of Appeals for the Ninth Circuit in *Pacific Portland Cement Co.* v. *Food Machinery & Chemical Corp.*, 178 F. 2d 541, illustrates the asserted confusion (petition, p. 2). The decision in the *Pacific Portland Cement Co.* case was concerned with the interpretation of the phrases "cost of production" and "cost of manufacture" appearing in a written contract (178 F. 2d at 553). At the trial, conflicting oral testimony was presented by lay and expert witnesses as to the

meaning of these phrases, and the trial court found for defendant. The Court of Appeals held there was "ample evidence in the record to support the view adopted by the trial court" (178 F. 2d at 554). The Appellate Court thus followed the reasoning in the *Gypsum* case, in that on the entire evidence it was *not* left with a definite and firm conviction that a mistake had been committed. No confusion in the mind of the appellate court is apparent from the decision.

The evidentiary situation in *United States* v. *Yellow Cab Co.,* 338 U. S. 338, is not "on all fours with the case at bar", as petitioner asserts (petition, p. 2). There, the findings sought to be upset were wholly based on oral testimony and related to the design, motive and intent with which the defendants acted. Such findings, as this Court held, "depend peculiarly upon the credit given to witnesses by those who see and hear them" (338 U. S. at 341). In the case at bar, the District Court based its finding of infringement *not* on any oral testimony, but solely on undisputed documents and models, as is pointed out at pages 3 and 4 of respondents' brief herein.

There is no conflict between the decisions of this Court in the *Gypsum* case and the *Yellow Cab* case as to the scope of appellate review under Rule 52(a). In the *Yellow Cab* case, this Court recognized the rule laid down in the *Gypsum* case, saying:

> "* * * While, of course, it would be our duty to correct clear error, even in findings of fact, the Government has failed to establish any greater grievance here than it might have in any case where the evidence would support a conclusion either way but where the trial court has decided it to weigh more heavily for the defendants. Such a choice between two permissible views of the weight of evidence is not 'clearly erroneous' " (338 U. S. at 342).

This was an application of the converse of the *Gypsum* case rule that

> "* * * A finding is 'clearly erroneous' when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed" (333 U. S. at 395).

Petitioner refutes its contention of confusion by citing over a dozen decisions in which the appellate courts have followed the rule enunciated by this Court in the *Gypsum* case (petition, pp. 2, 3).

CONCLUSION

The petition for rehearing is without merit and should be denied.

Respectfully submitted,

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November 22, 1950.